

of the individuals that will be taking advantage of the Rule of 85 and retiring early. So, with that, I know Senator Wickersham probably has some comments to make, he is more expert in this area than am I. And, with that, I would simply urge your support for the advancement of LB 505.

SPEAKER WITHEM: Thank you. Senator Wickersham.

SENATOR WICKERSHAM: Thank you, Mr. Speaker, members. Senator...I appreciated Senator Will designating this bill as a priority bill and also asking them to come up on consent calendar. It isn't that we wanted it to come up on consent calendar so you didn't have adequate time to consider it, but as Senator Will indicated, the bill has been agreed to by all parties. And it makes important changes in the Omaha school systems retirement fund. I do want to note a couple of things because hopefully there will be bills before you later in the session that address some of the same areas. As Senator Will noted, this changes the factor from 1.7 to 1.8 for the Omaha school system. I anticipate that later before this body you'll see a bill to change the factor to 1.8 for all school employees in the State of Nebraska. Also, I hope that later on in this session we'll be able to present to you a bill which deals with COLAs, not only for the teachers system for the balance of the State of Nebraska, but also the State Patrol and also for the judges, and hopefully for state and county employees as well. One other area addressed in this bill that we do not anticipate bringing a bill to you this year is the subject of buy-backs that is a very important topic. I believe it's addressed in an appropriate way for the Omaha system in this bill. We will be bringing to you a proposal next year to address that in the balance of the state systems. One other thing I want to note, and again it's something that Senator Will noted in that this bill essentially pays for itself. The early retirement benefit paid for by taxes that have been...and contributions that have been agreed to by the district and the employees, the other benefits paid for by plan assets that already exist. It is a very balanced and well thought out proposal, and I certainly do want to commend it to you. One other aspect that is important, I believe, is the incorporation of certain 401A provisions, including the exclusive benefit rule. Again, we expect to be bringing to you a bill that would incorporate the use of the exclusive benefit rule for all state plans. The exclusive benefit rule, of course, quite important in the investment area. The other thing I want to note for you is that the actuarial